

Gregg Cooke
Regional Administrator
United States Environmental Protection Agency

Statement Before the
United States Trade Deficit Review Commission
January 21, 2000

INTRODUCTION

- EPA has been invited here today to shed some light on the environmental impacts of NAFTA .I will provide you with background information about the border, EPA's border activities, the framework within which we work, our goals, and highlights **from** our program. EPA is a regulatory agency and thus limited by a strict, legal structure. EPA does not evaluate real or possible connections between the environment and trade, much less trade deficit.

BORDER

- Defined in the 1983 Agreement for the Protection and Improvement of the Environment, known as the "La Paz Agreement" between President De la Madrid and Ronald Reagan, the "border" comprises 62.5 miles/ 100 kilometers north and south of this boundary.
- Nowhere in the world are two nations more distinctly separated, and yet united. Economic differences between the two countries as a whole are stark, yet the residents of the 2000 kilometer-long border share many characteristics and frustrations.
- Some say that the border zone should be considered a country unto itself due to its distinct nature and very special people.

BORDER FACTS

- It is difficult to tell the story of the border without stressing a few demographic factors which set it apart from the rest of the world. It is the most rapidly growing region of North America. In 1960 the population was 1 million and in 1999 it is well over 11.5 million. At a projected growth rate of over 6% per year, it is expected that the border population will grow to an astounding 25 million by 2020 !

- Such growth rates and unsustainable production and consumption surpass the carrying capacity of the natural resource base as well as that of basic infrastructure, particularly with regard to water resources. These conditions pose a threat to biodiversity and air and water quality and pose health risks to all border residents.
- EPA is committed to promoting sustainable development in the border by seeking a balance among social and economic factors in the spirit of the Brundtland Report issued by the World Commission on Environment and Development *to “meets the needs of **the present** without compromising the ability of **future** generations to meet their own needs.”*

EPA MISSION

- It is the intent of the EPA, together with its neighbors to the south, to improve the environmental conditions of the border, not only to achieve parity with the standard of living of the US, but to launch this zone into an era of economic prosperity and sustainable development.

NAFTA

- Attention in both the US and Mexico was focused on the border with the momentous advent of the 1993 North American Free Trade Agreement (“NAFTA”).
- The environmental side accords created two border specific institutions, the first of their kind in the world. The Border Environment Cooperation Commission (“BECC”) and its sister organization the North American Development Bank (“NADB”) were developed for the sole purpose of addressing the environmental demands of the border.

The BECC, located in Ciudad Juarez, Chihuahua, and the NADB, located in San Antonio, Texas, constitute a new binational approach to environmental infrastructure development and financing in the U.S.-Mexico border region.

- Projects assisted by the BECC and the NADB focus on improvement of water supply, wastewater treatment and municipal solid waste disposal in communities located within 100 km. of the shared border. Mr. Pete Silva and Mr. Victor Miramontes are here today and will address the issues of these two institutions in greater detail.

LA PAZ. et seq.

- Mexico and the US have continuously worked together to address the increasing demands of the region. Following the La Paz Agreement, environmental concerns have been discussed and resolved in a spirit of binational cooperation on a voluntary basis.
- In 1992, the US and Mexico released the Integrated Border Environmental Plan (“IBEP”).
- Although quite ambitious, it is acknowledged that the plan was not perfect and did not go far enough to protect the border region.

BORDER XXI

- The next iteration of binational cooperation took the form of the Border XXI Program. Established in 1994, it built upon the efforts of IBEP and other, previous agreements and expanded the scope of binational work into a more broad framework than ever before.
- Bi-national workgroups dedicated to air, water, hazardous waste, cooperative enforcement and compliance, pollution prevention, natural resources, health, contingency planning and emergency response, and environmental information resources, have begun to address the most pressing demands of the border.
- Border XXI uses several parameters to guide its mission: 1) ensures public involvement in its development and implementation, 2) builds capacity and decentralizes environmental management to augment federal, state, and local participation, and 3) ensures interagency cooperation to maximize available resources and avoid duplicative efforts on the part of government and other organizations.

- Border XXI sets forth five year work plans which are refined and honed in yearly plans developed by the work groups. EPA hopes to incorporate quantifiable measures into the overall scheme of Border XXI and is in the process of developing a performance based management system into this program in conjunction with Mexico.

ENVIRONMENTAL INDICATORS

- EPA developed a set of environmental indicators and published a lengthy report in 1997, detailing the work of every work group in a quantifiable format. The purpose of the report was to establish a baseline of key data to assess both status and trends in environmental quality. The Environmental Indicators Report is available on our web page or upon request to any EPA office.
- The Air work group operates the complete air monitoring network to measure criteria pollutants in the urban centers of the border region. Further, authorities created an inventory of border city air emissions and measured the days in which these cities violate air quality standards.
 - El Paso/Dona Ana/Juarez emission inventories are complete. The results show that Mobile Sources are the main cause of ozone causing pollution, carbon monoxide, while unpaved streets are a main contributor to PM concentrations on BOTH sides of the border. El Paso is a “non-attainment” area for ozone, per the US Clean Air Act.
 - The general trend for air quality in El Paso and Juarez has been slow but steady improvement. The area could achieve the standards for ozone and carbon monoxide in the near future.
- The Enforcement indicators include the number of enforcement actions taken in the border region by media, the penalties assessed, and the amount of pollution reduced as a result.
- The Hazardous and Solid Waste indicators track the number of disposal facilities in the border region, the number of recycling facilities, and the amount of waste which crosses the border. With this data cases are developed for prosecution based on improper transport and/or disposal.

- By recording and tracking important information such as this, EPA will be able to better inform the public about the impact on the region from congestion, population growth, and **infrastructure** management.
- Although EPA is now better equipped to catalog raw data specific to the border region, EPA does not have the capacity nor the mandate to oversee or measure any links between environmental standards and trade. At this point, connections are based on assumptions and conjecture. EPA does not use formal tools to measure the link.

CARBON I/II

- Energy supply and demand are clearly beyond the purview of EPA. However, it is evident that the population strain on the border will require additional energy supplies. The type of energy generated may have a direct impact on the border and inland environment.
- Priority pollutants are easily transported across politically created boundaries. Sulfur Dioxide, Particulate Matter, Ozone, Carbon Dioxide, are among the priority pollutants associated with carbon produced electricity generation.
- Carbon I/II are coal-powered power plants located just south of Big Bend National Park, one of our nation's most treasured natural resources.
- EPA has studied the impacts of these plants on visibility in Big Bend and issued a preliminary report based on modeled data.
- The second phase of study, using tracers to identify the source and quantity of pollutants, is underway.
- These power plants have generated significant political debate about the transboundary impact of power generation, particularly in the context of marketing power across the border.

EPA RESOURCES

- To EPA, the border is a tremendous challenge. Agency-wide resources are scarce and little money is specifically ear-marked for the border. Next year EPA has in its budget a TOTAL of \$3 Million, Four Hundred Thousand Dollars for use by every work group, along the **entire** border.
- Congress has appropriated \$45 Million for border infrastructure

which will pass through EPA for BECC/NADB projects. This does not come close to meeting the full demand. Per various studies, that need in dollars equals about \$9 Billion. --

DECENTRALIZATION

- A very important milestone in the life of Border XXI occurred in 1999 when the ten states along the border signed a memorandum of cooperation referred to as the Ten State Coordination Principles. This agreement does not bind either nation or any of the states to new obligations, yet it serves to bring to life a new, decentralized approach to environmental protection along the border.
- The goal of the agreement is to ensure that every bi-national Workgroup include the states as partners in addressing the needs of their environment. As EPA enters the new century, the power and obligations associated with federal mandates will devolve to the states. This general theme is nowhere more necessary than in the border.

GAO Report

- GAO recently concluded a border study with a report scheduled for publication early this year.
- Important recommendations from this report include : the need for a border-wide strategic plan (with which EPA fully agrees), and the need for lower-cost financing by NADB.

Executive Order 13 122

- Issued in May 1999, the President issued this order creating a multi-agency task force to address the pressing needs of the border taking into account every aspect of border life. Public meetings are planned this year to assess border community demands and to develop a federal, coordinated response to border issues.